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CLARK COUNTY
WASHINGTON

AUDITOR
GREG KIMSEY

Department of Community Development

Review of the Timeliness of Application Processing

Clark County Auditor's Office

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Internal Audit Department

P.O. BOX 5000, Vancouver WA 98666-5000

(360) 397-2078 FAX (360) 397-6007 www.co.clark.wa.us/auditor

Department of Community Development Timeliness of Application Processing

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DEPARTMENT OF COMMUNITY DEVELOPMENT: TIMELINESS OF APPLICATION PROCESSING

EXECUTIVE SUMMARY

DCD HAS IMPROVED DEVELOPMENT APPLICATION PROCESSING TIMES, AND IS IN COMPLIANCE WITH COUNTY CODE TIMEFRAME REQUIREMENTS

DCD is responsible for processing applications for subdivisions and other types of development in Clark County. We found that DCD:

- improved the reliability of data used to measure application processing time.
- complied with County Code requirements to notify applicants within specified timeframes as to whether applications are complete enough for detailed review ("Fully Complete") or are incomplete.
- reduced the average time required for applications to achieve Fully Complete status from the 60 days found during the Year 2000 Performance Audit to 50 days during 2002.
- completed engineering-related checks of plans within timeframe goals established as a result of the Year 2000 Performance Audit. DCD also reduced the number of checks required before plans are approved.
- approved or disapproved applications within the timeframes established by the County Code.

ADDITIONAL IMPROVEMENT IS NEEDED TO MEET GOALS ESTABLISHED AS A RESULT OF THE YEAR 2000 PERFORMANCE AUDIT

The Year 2000 Performance Audit recommended that DCD:

- reduce applications taking lengthy times to achieve Fully Complete status to 5 percent of the total. DCD did not achieve this goal but made progress, reducing this percentage from the 19 percent found during the performance audit to 15 percent in 2001 and 12 percent in 2002.
- establish a goal of 30 days to achieve Fully Complete status. DCD also made progress in this case, increasing the percentage of total applications achieving Fully Complete status within 30 days from the 22 percent found during the performance audit to 30 percent in 2001 and 33 percent in 2002.
- meet goals for processing single family residence building permits. DCD generally met goals for standardized ("Same-As") permits during 2001 and 2002,

but processing times for permits that required detailed reviews of building plans substantially exceeded goals. DCD is evaluating its building permit processes in order to identify where improvements need to be made. This evaluation includes pinpointing areas where applications are lagging, and also assuring that the data collected represent a meaningful measure of timeliness.

ADDITIONAL REPORTING OF TIMELINESS-RELATED PERFORMANCE MEASURES WOULD BENEFIT MANAGEMENT AND STAKEHOLDERS

The Year 2000 Performance Audit recommended that DCD report performance data.

The audit reasoned that this information would help DCD's management improve processes, and allow the department's stakeholders to be better informed.

DCD began issuing quarterly reports during 2002 that contain substantial information, including the number and type of applications processed. However, the reports do not generally compare DCD's performance to goals established as a result of the Year 2000 Performance Audit. Consequently, we recommend that DCD report, for development applications:

- the average number of days, including hold time, that applications take to successfully achieve Fully Complete status. This data should be compared to 30, 60, and 90 day performance measure timeframes.
- the total processing time, including hold time, from date of acceptance to date of approval or disapproval. This should be stratified by type of application (subdivision, short plat, preliminary site plan) to provide future customers data useful for planning purposes.
- the amount of hold time as a percentage of total processing time. This would allow any substantial increases in hold time amounts to be analyzed by management.

For building permits, we recommend that DCD report processing time in comparison to performance measures that were established as a result of the Year 2000 Performance Audit. DCD should continue its efforts to refine this data; for example, by excluding time during which an application is on hold for reasons beyond the control of the department.

INTRODUCTION

Department of Community Development (DCD) customers remain concerned about the time it takes to process applications. A random survey of DCD's customers, conducted as part of a performance audit of the department in 2000, disclosed that application processing time was an area needing attention. A similar survey conducted in 2002 showed some improvement, but indicated that "timeliness" was still a concern. The Year 2000 Performance Audit also made a number of recommendations directed at improving application processing and other functions. This report focuses upon the progress DCD has made on "timeliness" since the performance audit was issued in December 2000.¹

DCD HAS IMPROVED THE PERMIT TRACKING PROCESS AND IS REPORTING SUBSTANTIAL INFORMATION ON DEPARTMENTAL ACTIVITIES

One of the Year 2000 Performance Audit's major findings was that DCD lacked reliable data with which to measure application processing time. Inconsistent and inaccurate data entry was a primary part of the problem. DCD addressed this problem by developing a users' manual and providing training to staff.

To verify the accuracy of data used in this report, we traced application processing data from the permit tracking database back to source documents.² We found the data to be reliable.

DCD began issuing quarterly reports during 2002 that displayed some types of permit tracking data and provided detailed information on other departmental activities. For

¹ This is the third in series of Auditor's Office reports that followup on recommendations made in the performance audit of DCD.

² We reviewed 179 major development applications and verified the dates used as a basis for the statistics in this report by tracing back to source documents, such as Fully Complete notification letters and reports submitted to the Hearings Examiner.

example, the reports included data relevant to application processing time, such as “Fully Complete Cycle Time,” “Engineering Review Cycle Time,” and “Building Permit Cycle Time” tables. The reports also included tables showing the:

- number and type of applications and permits processed,
- number and type of inspections performed,
- long-range planning projects completed, continuing, and scheduled, and
- percent of telephone calls returned within 24 hours.

RESULTS OF REVIEW OF DEVELOPMENT APPLICATION PROCESSING TIME

DCD is responsible for processing various types of applications for development in Clark County.³ We examined two timeframes that make up development application processing. These were (1) the time from application acceptance to the determination that the department has all of the information needed for detailed, technical review (the Fully Complete Process) and (2) the timeframe from the date an application is deemed Fully Complete to the date a decision to approve or disapprove it is made by the appropriate authority (the Decision Process). Our review findings are discussed below.

DCD has improved the Fully Complete Process since the Year 2000 Performance Audit, and is in compliance with County Code timeframe requirements

As a result of the performance audit, DCD implemented a number of changes designed to improve the Fully Complete Process. These included creating informational handouts to clarify requirements to customers; establishing written procedures; discontinuing

³ Our review was limited to “major” development applications as defined by the performance audit—applications for subdivisions, short plats, and preliminary site plans that were subject to Type II or Type III review processes. (Types II and III differ in that decision-making authority

unnecessary conferences; and speeding up the process by calling customers to obtain additional minor pieces of information needed for completeness.

Several application processing time standards and goals relate to DCD's Fully Complete process. The Clark County Code requires that DCD provide written notification to the applicant within 21 days as to whether the application is Fully Complete or is incomplete. If incomplete, DCD is required to advise the applicant as to additional information needed. After the application is resubmitted, the Code requires DCD to notify the applicant as to completeness within 14 days. We found that DCD was in compliance with these 21 and 14 day County Code requirements.

DCD reduced the average time required for an application to reach Fully Complete status in 2002

The Year 2000 Performance Audit concluded that DCD should reduce the time necessary to deem an application Fully Complete. The auditors found that the time required for major applications to achieve Fully Complete status averaged 60 days, including all time periods during which the application was on hold. The audit suggested that DCD work toward a goal for all major applications to reach Fully Complete status within 30 days.⁴ The performance audit found that 22 percent of applications met this goal; we found that this increased to 30 percent in 2001 and 33 percent in 2002.

vests administratively with DCD for Type II applications and with the Hearing Examiner for Type III.)

⁴ The total time from application acceptance to the Fully Complete date, including hold time. For example, the number of days it takes applicants to respond to requests for additional information after each of DCD's reviews is considered to be hold time.

We calculated DCD's 2001 and 2002 processing times and compared them to the 60 day average found during the performance audit. We found that the average time for the 94 major development applications we reviewed to achieve Fully Complete status in 2001 increased slightly to 62 days. This improved to 50 days⁵ during 2002 for the 85 major applications we reviewed.

We found that Fully Complete timeframes can vary significantly by type of application. For example, 36 percent of Preliminary Site Plan Review applications--compared to only 8 percent of Subdivision applications--took more than 60 days to become Fully Complete in 2002. The attached Appendix to this report shows Fully Complete processing times by type of application for 2001 and 2002.

The performance audit also recommended that DCD reduce the number of applications that take extraordinarily lengthy times to successfully achieve Fully Complete status. DCD succeeded in doing so during 2002, reducing the percentage of applications taking more than 60 days to achieve Fully Complete status from 39 percent in 2001 to 27 percent in 2002. DCD also reduced the percentage taking more than 90 days—from 15 percent to 12 percent. The performance audit recommended that DCD work toward a specific goal—that no more than 5 percent require more than 90 days to achieve Fully Complete status.⁶

DCD is in compliance with time requirements for reaching decisions to approve or disapprove applications (the Decision Process)

⁵ Unless otherwise stated, application processing time calculations used in this report for 2002 are based on data available through November 2002.

⁶ This performance measure relates to major (Type II and III) applications.

The County Code requires that decisions to approve or disapprove Type II applications be made within 78 days from the date an application is deemed Fully Complete. For Type III applications, the requirement is 92 days. Our review of 2002 data found that DCD was in compliance with these requirements.⁷

Hold time can be a significant portion of the total time it takes to process development applications

In determining whether these timeframes have been met, the County Code allows certain time periods to be excluded—“hold” times. The Code allows hold times for any period during which the applicant has been requested by the county to correct plans, perform required studies, or provide additional information. In addition, the applicant may agree in writing to extend the decision deadline.

DCD’s quarterly report discloses the average number of days that applications were on hold during the Fully Complete Process. DCD reported that hold time averaged 26 days between first and second reviews, and 31 days between the second and third reviews during 2002⁸. Since DCD’s actual review time averaged less than 21 days for the first review and less than 14 days for each subsequent review, it is apparent that hold time is a substantial part of the total time period necessary to gain Fully Complete status.

DCD does not report the amount of time applications are on hold during the Decision Process—the time from the Fully Complete date to the decision date. Our review of 2002 data found that 60 percent of the applications reviewed had one or more hold

⁷ However, we found occasions where decisions were not reached within 92 days on Type III applications as a result of extensions to the hearings process.

⁸ Averages are from data for the first three quarters of 2002.

periods during this timeframe. We also found that the amount of hold time varied by type of application, and can be a significant portion of processing time. Hold time constituted an estimated 19 percent of processing time for Type II applications, and 2 percent for Type III⁹ during this timeframe.

Substantial time is required to develop the project and show compliance with requirements

Applicants have a lot of work to do after their projects are approved by DCD or the Hearing Examiner. In order to obtain final approval of the project plat—a step that is required before lots can be sold or construction can begin—the applicant must demonstrate compliance with the conditions under which the application was approved, and with Clark County Code provisions pertinent to the project. For example, the applicant must show, and DCD must check, compliance with requirements applicable to the project's infrastructure (e.g. grading, landscaping, utilities, streets, and drainage). The applicant must also survey the proposed plat; dedicate rights-of-way; and produce a final plat drawing to be submitted for final recording.¹⁰

As a result, the amount of time between approval of the subdivision application and the final approval of the subdivision's plats is generally substantial. Our analysis showed an average of 18 months for subdivisions¹¹ to attain final plat approval during 2001 and 2002. However, the Year 2000 Performance Audit cautioned against using this time interval as a performance measure. As stated in the audit report:

⁹ These hold time amounts are estimated by calculating the amount of actual processing time in excess of the maximum days allowed by the County Code to reach a decision on the application (78 days for Type II and 92 days for Type III decisions).

¹⁰ As an alternative, the applicant can bond all the improvements and apply for final plat approval.

¹¹ Based upon the 49 subdivision projects shown by DCD as finalized in 2001 and 2002.

“the speed at which a Short Plat or Subdivision moves through the development review process can vary widely by factors that are completely out of the control of Department staff. This wide variation can exist even in agencies that are operating at peak efficiency. Delays, for example, can be the result of a change in the housing market, a change in interest rates or a change in ownership of the land. Such delays can postpone recordation by months, if not years.”

Consequently, the performance audit recommended that DCD focus upon actions that were under its control during this time period. Specifically, the audit recommended reducing the number of days during which the applicant's plans were being checked by DCD's engineers and consulting engineers to assure compliance with infrastructure requirements and other conditions under which the application was approved¹².

DCD responded by instituting goals for the first plan check to be completed in 21 days; the second in 14 days; and the third in 7 days. DCD then established performance targets—aiming at 70 percent compliance with these timeframes in 2002 and 80 percent in 2003. DCD data shows that the department met its 2002 goal. Engineering plan checks were completed within performance measure timeframes 72 percent of the time in 2002.¹³

The performance audit also recommended that DCD reduce the number of times plans were checked. Consequently, for 2002, DCD established a goal: check 85 percent of the applications no more than 3 times each before approval. DCD's quarterly report data indicates that this goal is being met—94 percent of the projects (176 of 188) were within the 3 check goal. DCD's goal for 2003 is 95 percent.¹⁴

¹² DCD established an Engineering Division subsequent to the performance audit to enhance management oversight over engineering reviews and other functions.

¹³ The 72 percent completion rate was calculated from data provided in DCD's quarterly reports, and has not been verified.

¹⁴ The number of plan checks and amount of time expended are as reported by DCD, and have not been verified.

The performance audit also stated that customers had complained, with regard to engineering plan checks, that “it is not at all uncommon” for DCD to raise new issues during the second, third or fourth plan check cycles. DCD advised that it had streamlined the process, and pointed to data showing that very few applications required more than three plan checks during 2002.

DCD has continued its efforts to improve its engineering check and final plat approval and recording processes. The department hired a consultant to evaluate improving the processes that lead to final plat approval. Final plat and final site plan processes are being studied with the goal of reengineering the process—to include identifying any desirable changes to the County Code and identify staffing needs. DCD expects the results of the consultant’s work to be available in July 2003.

RESULTS OF REVIEW OF BUILDING PERMIT PROCESSING TIME

The Year 2000 Performance Audit reviewed DCD’s building permit process, and found that the department was taking 20 percent longer than the average time most organizations take to process single family residence permits. In response to this finding, DCD added another Plans Examiner to its staff. The department also developed sample residential and commercial building plans for customers to use as guidance. The sample plans demonstrate the types of information plans should include in order to enable faster reviews.

The performance audit focused upon single family residence building permits because they constitute the bulk of the permit workload. DCD divides single family residence

permits into two classes for processing purposes: “Same-As” permits, and permits which require a full review. According to DCD, Same-As permits take less time to process because the plan set is already approved. The Plans Examiner does not have to review the whole plan set in detail, but can look for discrepancies between the submitted plans and the approved Same-As plan set. Alternatively, projects requiring full plan reviews (such as houses over 5,000 square feet) take longer because the Plans Examiner must review the entire plan set.

DCD met some building permit processing time goals for “Same-As” permits but did not meet goals for “Full Review” permits

As a result of the performance audit, DCD set performance goals for single family residence building permits. DCD adopted, as recommended by its staff, performance goals related to “peak” (April to August) and the remaining “off-peak” period. The goals were set at 10 days for the non-peak period and 20 days for the peak period. The table below compares DCD’s processing time for 2001 and 2002 with peak and off-peak performance goals.

PEAK PERIOD REVIEWS	Review Time Goal	Actual 2002	Actual 2001
Same-As Permits	20 Days	17 Days	14 Days
Full Review Permits	20 Days	61 Days	63 Days
OFF-PEAK PERIOD REVIEWS			
Same-As Permits	10 Days	14 Days	13 Days
Full Review Permits	10 Days	63 Days	72 Days

The table shows that DCD met or came close to meeting goals set for Same-As permits, but did not meet the goals set for Full Review permits¹⁵.

The above table is based upon “calendar day” data provided by DCD in its quarterly reports. After reviewing a draft of this audit report, DCD decided that it would prefer to state performance in terms of “work days.” Restating the above data in this manner would result in averages of about 10 days for Same-As permits and 45 days for Full Review permits.

DCD recognizes that it is not meeting some performance measurement standards for processing building permits. DCD is evaluating its processes in order to identify where improvements need to be made. This includes identifying areas where applications are lagging, and also assuring that the data collected represents a meaningful measure of timeliness. With regard to the latter, DCD plans to collect permit processing data that excludes “hold” time—time during which applications are not being processed for reasons that are beyond the control of the department’s Building Division. DCD expects that excluding the hold time will provide a more relevant measure of performance and will result in timeliness statistics that are closer to permit processing goals.

We agree that this measure that would more precisely represent the Building Division’s performance. However, we believe that DCD should also report total building permit processing time—from the date of application acceptance to the date the applicant is

¹⁵For purposes of this table, the peak period is defined as the second and third quarters of each year.

notified that the permit is ready to be picked up. Reporting total processing time, including holds, is of importance because future customers can use the statistic to gauge about how long it will take them to get a permit.

CONCLUSION: ADDITIONAL REPORTING OF TIMELINESS-RELATED PERFORMANCE MEASURES WOULD BENEFIT MANAGEMENT AND STAKEHOLDERS

As discussed previously, DCD is reporting a substantial amount of data regarding its activities. Reporting additional data that compares actual performance to performance measures and goals would be valuable. To be most useful, the reporting process would highlight significant variances from performance measurement goals, and analyze and discuss reasons for the variances.¹⁶ This additional information would help DCD's management improve processes, and allow the department's stakeholders to be better informed regarding activities that affect them.

Reporting of single family residence building permit data

DCD's quarterly reports contain a table that shows the number of single family residence permits issued, and the average number of days required to issue a permit. The reports do not, however, compare application processing time to performance measures such as those established for peak and off-peak periods.

Reporting of development application data

DCD's quarterly reports display detailed workload information for each of its divisions, including the number and type of applications processed. However, the reports do not show the total amount of time, including hold time, before a decision is reached on the

¹⁶ For example, the data showing that the processing time for Full Review building permits did not decrease during the off-peak review period could be analyzed (see table on page 9).

application. If this information were reported, the customer would have some basis for judging how many calendar days would be likely to elapse—and could make plans accordingly.

Similarly, the Fully Complete Cycle Time table displays the number of applications approved during each of DCD's sequential reviews, and the average amount of hold time between reviews. However, DCD does not report an average for the total amount of time, including hold time, that it takes for an application to successfully achieve Fully Complete status.

Based on the findings of this report, we are making recommendations for additional reporting of application processing time data, and additional emphasis on performance measurement reporting. As required by our procedures, comments on a draft of the report were obtained from DCD. DCD did not take issue with the report's findings and recommendations. Several technical clarifications were suggested which been incorporated in the final report.

RECOMMENDATIONS

We recommend that DCD report additional application processing time data and additional performance measures as detailed below.¹⁷

With regard to the Fully Complete Process, we recommend that DCD report, for major development applications:¹⁸

¹⁷ DCD advised that much of the data necessary to prepare the recommended performance measure reports is already available internally to management, and can readily be reported externally.

¹⁸ Major development applications are those in DCD's Type II and III categories.

- The average number of days, including hold time, that applications take to successfully achieve Fully Complete status. We recommend that DCD consider stratifying this data to show the number of applications that take (1) longer than 90 days, (2) longer than 60 days, and (3) longer than 30 days to be deemed Fully Complete.

With regard to the Decision Process, we recommend that DCD report, for major development applications:

- The total processing time, including hold time, from date of acceptance to date of approval or disapproval. We also recommend that DCD report the amount of hold time as a percentage of this total processing time.

For all of the above recommendations, DCD should consider reporting by type of development application (e.g. subdivision, short plat, preliminary site plan) in order to identify and analyze significant variances.

With regard to single family residence building permits, we recommend that DCD

- Compare processing time to the peak and off-peak goals that were established as a result of the performance audit, and report comparison results.¹⁹ DCD should continue its efforts to refine permit processing timeliness data to assure that the data constitute meaningful measures of performance.

¹⁹Such measures can be expressed on a percentage basis; for example, Snohomish County has established a goal that 90 percent of Same-As permits be issued within 8 days.

APPENDIX

FULLY COMPLETE PROCESSING TIMES FOR 2001 AND 2002

(Total Time Required to Successfully Attain Fully Complete Status)²⁰

	Number of Applications	Average Days from Counter Complete to Fully Complete	Percent 60 Days or More from Counter Complete to Fully Complete	Percent 90 Days or More from Counter Complete to Fully Complete
2001				
Subdivisions	20	60	35%	15%
Short Plats	21	51	38%	10%
Site Plan Reviews	53	67	40%	17%
2001 Overall	94	62	39%	15%
2002				
Subdivisions	25	38	8%	4%
Short Plats	16	55	31%	13%
Site Plan Reviews	44	55	36%	16%
2002 Overall	85	50	27%	12%

²⁰ The times in the table represent the total amount of time from application acceptance to successfully obtaining Fully Complete status. This includes any time the application is not being acted on by DCD for any reason, including times involved because the application was determined to be incomplete and referred back to the applicant for re-submittal.

